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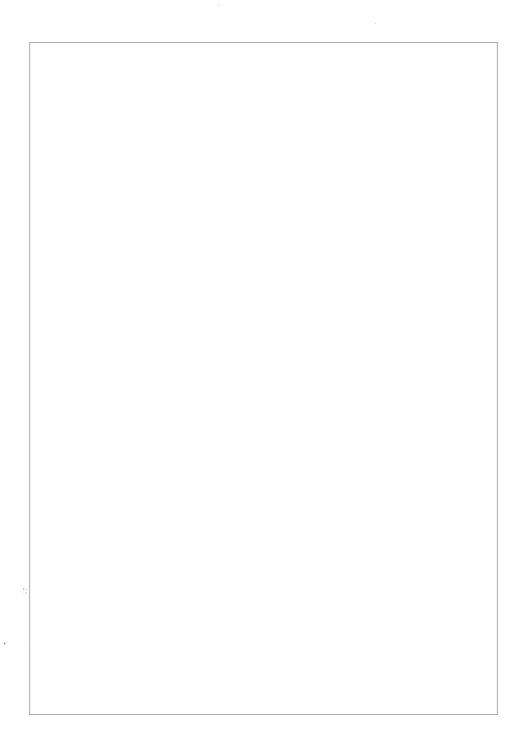
# INTELLIGENCE

# BULLETIN



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#### 1 JULY 1960

#### I. THE COMMUNIST BLOC

#### II. ASIA-AFRICA

Sihanouk warns Cambodia will accept bloc military aid unless arms superiority of US-supplied neighbors is rectified. (

Administrative stagnation reappearing in Burma.

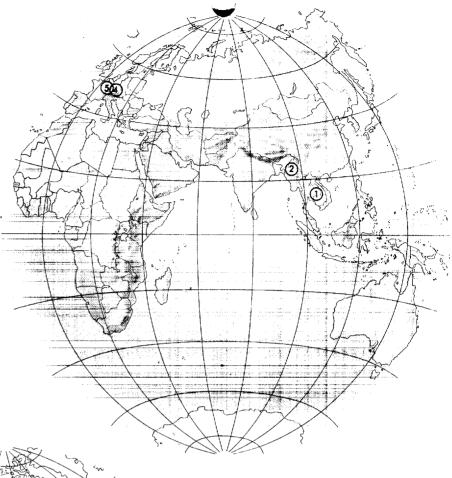
#### III. THE WEST

Reported Cuban "military pact" with Czechoslovakia, even if only for training and supplies, would arouse anti-Cuban feeling in Latin America.

Austria to bring South Tirol dispute to UN.

#### LATE ITEM

Czech diplomat says USSR will break off Geneva nuclear talks "within the next few days."





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# CENTRAL INTELLIGENCE BULLETIN

1 July 1960

## DAILY BRIEF

### I. THE COMMUNIST BLOC

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### II. ASIA-AFRICA

Cambodia: Prince Sihanouk has warned that Cambodia will accept military equipment from the Sino-Soviet bloc unless the arms disparity between Cambodia and its neighbors-South Vietnam, Thailand, and Laos-is rectified. Sihanouk suggested, as alternative methods of accomplishing this, American military aid to Cambodia "equivalent" to that furnished the neighboring states, or action through the 1954 Geneva conference powers and the United Nations to enforce effective disarmament in Southeast Asia. (Page 1)

Burma: Administrative stagnation, characteristic of Burma prior to General Ne Win's military regime, is again in evidence.

Premier Nu is avoiding responsibility for government decisions by referring policy questions that are even slightly controversial to a newly created advisory committee; as a result, civil servants are unable to get decisions from the responsible cabinet officers.

(Page 2)

#### III. THE WEST

Cuba: The Argentine ambassador in Havana reports that Fidel Castro told him that Raul Castro is to sign a "military pact" with Czechoslovakia during his current visit to Prague,

expressed the opin-

ion that a "military pact" would constitute a basis for united Latin American action against Cuba in the Organization of American States, since it would be "clearly incompatible with the Rio Treaty," which provides for the mutual defense of the 21 American



republics. did not define a "military pact," but there would probably be considerable feeling in Latin American countries if Cuba were to conclude a military agreement with a bloc country, even if only for training and supplies.  (Page 3)
South Tirol: The prolonged dispute between Austria and Italy over the Italian South Tirol will be aggravated by Vienna's 28 June decision to raise the issue at the fall session of the UN General Assembly. The Austrian cabinet took this step despite recent Italian offers to refer the matter to the International Court of Justice and despite repeated Western warnings that an Assembly contest between a friendly neutral and a NATO country would embarrass the Western powers to the potential benefit
of the bloc. (Page 4)
LATE ITEM
*USSR: Moscow intends to follow its action in breaking off the disarmament conference with a move to terminate the Geneva nuclear test ban talks "within the next few days,"  Although the Soviet del-
egate in Geneva has privately indicated a desire for a long summer recess, he has recently appeared intent on laying the groundwork for breaking off the talks on the pretext that the United States
and Britain have refused to negotiate seriously. Khrushchev probably will seek to offset negative reaction by promptly reaffirming previous pledges that the USSR will not be the first power to resume
nuclear weapons tests.

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### Cambodia Threatens Recourse to Communist Bloc Arms

Prince Sihanouk has warned that Cambodia intends to accept modern military equipment from the Sino-Soviet bloc unless steps are taken to redress the arms disparity between Cambodia and its larger neighbors--South Vietnam, Thailand, and Laos. In a recent editorial, Sihanouk contrasted the "overarming" by the United States of these states with the "negligible quantities and obsolete type" of arms supplied Cambodia. He stressed the necessity of redressing the present "miserable" state of the Cambodian armed forces in the face of threats from South Vietnam and Thailand acting in league with Cambodian dissidents.

Sihanouk named several courses of action that Cambodia would use before turning to the bloc: a request for increased US military aid "equivalent" to that provided Cambodia's neighbors; a proposal of regional disarmament under US and SEATO auspices; and action through the 1954 Geneva conference powers and the United Nations against the "unwarranted increase" in the military potential of Cambodia's neighbors. Sihanouk declared that if these approaches proved unproductive, Cambodia would no longer consider itself bound to look exclusively to the United States for military aid.

Sihanouk probably realizes that increased American aid is the only one of his suggested "solutions" that is at all feasible. His threat to turn to the Communist bloc probably is not all bluff. Cambodia is reported to have received firm offers of arms from Communist China, including jet aircraft. Sihanouk may be satisfied at this time with a token number of American jet aircraft, which Cambodia has requested.

### Administrative Inefficiency in Burma Recurring Under U Nu

The Advisory Committee to the Burmese Government, initiated by Premier U Nu to serve as a nonpartisan board of review for his government's policies, is becoming a convenient pigeonhole for controversial proposals and programs. The resulting stagnation in decision making is confirming fears that inefficient administration would recur with U Nu's return to power.

The Advisory Committee, intended to be similar to a British Royal Commission and consisting of five Burmese elder statesmen, was established on 25 April. Shortly thereafter, a flood of government requests for advice on topics "ranging from the serious to the silly" were passed to the committee. In effect, the cabinet washed its hands of administrative responsibility, and Burmese civil servants now report it impossible to obtain directions from cabinet officers. Policy implementation, which slowed abruptly when General Ne Win left office in early April, is virtually at a standstill.

Premier Nu is noted for his lack of interest and skill in administrative detail, and it may be that the current administrative impasse results from a genuine misunderstanding of the functions of an advisory committee. On the other hand, in light of the reported factionalism in the governing party, Nu may be merely postponing decisions to avoid intraparty feuding. Reports from other sources indicate Nu does not control his party executive committee.

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Fidel Castro told the Argentine ambassador in Havana

## Argentine Official Suggests Basis for Anti-Cuban Action

that Raul Castro is to sign a "military pact" with Czechoslo-
vakia during his current visit to Prague,
onsiders that a "military
pact" would constitute a basis for united Latin American action against Cuba in the Organization of American States (OAS) because of "clear incompatibility with the Rio Treaty,"
Argentine Ambassador Julio Amoedo has maintained a close friendship with Fidel Castro, although he has been critical of Castro's actions. Amoedo arranged a meeting in May between 13 Latin American ambassadors and Fidel Castro designed to impress Castro with their concern over evidence of Cuba's abandoning the "Latin American family" and over its deteriorating relations with the United States.
Raul Castro, who arrived in Prague on 26 June, is probably seeking military equipment, including aircraft, which the Czechs may be willing to provide. The American army attaché in Havana was told eight Cuban officers are shortly to leave for Czechoslovakia as the first of a series of Cuban teams to undergo training there in artillery methods. Several Cuban air force mechanics are also reportedly to receive training there soon in aircraft maintenance.
did not say what he meant by a "military pact," but any military agreement with a bloc nation, even if limited to training and supplies, would be regarded by many Latin American leaders as politically incompatible with the Rio Treaty of 1947, which provides for the mutual defense of the 21 American republics. Strong OAS action against the Castro regime, however, would require the support of such countries as Venezuela which have insisted that certain Cuban policies are erroneous but that the Dominican dictatorship problem must
be resolved before OAS action is taken against Castro.

# Austria Decides to Take South Tirol Dispute to UN General Assembly

Austria's decision on 28 June to take the South Tirol problem to the fall session of the UN General Assembly will aggravate and prolong the dispute between Vienna and Rome over the Italian border territory. By this action the Austrian cabinet has in effect rejected recent Italian overtures to continue bilateral efforts to reach a solution or refer the issue to the International Court of Justice (ICJ). It has also discounted repeated Western warnings that a General Assembly contest between a friendly neutral and a NATO country would embarrass the West, to the potential benefit of the bloc.

Austrian authorities have long believed that Rome is not prepared to make any major concessions and that the grievances of the German-speaking population in the South Tirol will be alleviated only if international opinion is aroused. This impression was reinforced by Italian Premier Tambroni's formal rejection on 22 June of the minimum Austrian demand for full regional autonomy for the South Tirol under the Italian constitution—a demand Rome has suspected would merely encourage demands that the area be returned to Austria. Vienna has opposed an ICJ appeal on grounds that the dispute is political rather than juridical and that lengthy legal proceedings would permit Rome to step up Italian migration into the territory.)

Italy is certain to demand NATO solidarity in the General Assembly, and officials in Vienna are under no illusions that they can expect substantial European support. Nevertheless, many Austrians will resent the lack of Western sympathy, and there has been some tendency lately to accuse Washington of giving tactical advice to Rome. Austrian officials apparently have not sought bloc support, which thus far Moscow has shown no sign of offering. Even if attracted by the possible advantages of supporting a neutral against a NATO country, Moscow will presumably also be influenced by the large Italian Communist party, which shares common Italian views on the South Tirol issue.

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The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

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The Secretary of Defense

The Deputy Secretary of Defense

Assistant Secretary of Defense for International Security Affairs

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Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

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